



REQUEST FOR PROPOSAL

May 15, 2007

Network, Server and Desktop Support

RFP# CIRM 2066

You are invited to review and respond to this Request for Proposal (RFP), entitled RFP# CIRM 2066, Network, Server and Desktop Support for the California Institute for Regenerative Medicine (CIRM). In submitting your proposal, you must fully comply with these instructions. Missing and/or incomplete information may cause your response to be disqualified from further consideration. The RFP seeks qualified server and network support firms to support CIRM's technical infrastructure.

In the opinion of the California Institute for Regenerative Medicine, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, the contact person for this RFP is:

Dennis Butler
Chief Technical Officer
(415) 396-9121

All submittals must be received on or before 5 PM Pacific Time, May 31, 2007. Return four identical copies (One original signed and three identical copies) to:

California Institute for Regenerative Medicine
210 King Street
San Francisco, CA 94107
Attn: Dennis Butler
(415) 396-9121

Faxed submittals will not be accepted

Late submittals will not be accepted

Please note that no *verbal* information given will be binding upon the State unless such information is issued in writing as an official addendum.

1.

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1. Purpose and Description of Services

1.1. Introduction

The California Institute for Regenerative Medicine (CIRM) was established by Proposition 71 to be California's agency for funding stem cell research.

The CIRM is requesting a proposal from established experts in network, server and desktop support.

The firm that is selected must be technically and professionally capable of providing the services in all subject areas described in Section A, Item 2, Scope of Services and meet the Minimum Qualifications for Proposers in Section B. The firm must be free from actual conflicts of interest not only at the time of selection, but also throughout the term of the contract.

The CIRM expects that the winning firm will be able to start July 1, 2007. The CIRM anticipates entering into a one-year contract with two possible one-year extensions for network and server maintenance. The contract may be cancelled by CIRM with a 30-day written notice.

1.2. Existing Infrastructure

CIRM is operating in a Windows Active Directory environment as illustrated in the figure below. CIRM currently has 26 employees and expects to grow to its maximum size of 50 employees in the next 18-24 months.

1.2.1. Server Suite

CIRM is operating 6 x HP DL380 G4 servers, each configured with redundant power and RAID, and running Windows 2003 Server Standard Edition.

CIRM also has 1 x Dell server provided as part of the security system. Maintenance of this server is not within the scope of this contract.

1.2.2. Desktop Configurations

CIRM currently has two standard desktop configurations. All of the desktops have Office 2003 and Adobe Acrobat installed. Each desktop includes Symantec Anti-Virus Enterprise Edition, fully configured to an SSC server. CIRM has 10 licenses each for Microsoft Visio and Project. We have one license for WordPerfect.

1.2.3. Laptop

CIRM has 25 x Dell TBD laptops with docking stations, each running Windows XP Pro SP2.

1.2.4. Desktop

CIRM has 2 x HP DC7600-series desktops, each running Windows XP Pro SP2.

1.2.5. Messaging Infrastructure

CIRM relies on Microsoft Exchange 2003 as the primary email server. This server also provides Outlook Web Access. CIRM also has Blackberry Enterprise Server which serves approximately 20 Blackberry users.

1.2.6. Collaboration Suite

CIRM uses Windows Sharepoint Services as its collaboration platform.

1.2.7. Network

CIRM's network consists of the following:

- Switching: 2x 3750 48-port 10/100 switches, 1x 3750 24-port Gig switch (servers), all stacked via the Cisco stacking backplane cables.
- Firewall: Cisco PIX 515E
- Routing: Not Applicable. CIRM connects directly from the PIX into connectivity provided by the City of San Francisco's data network.

1.2.8. External (public-facing) Web site

CIRM's external web site is hosted by the State's data center and is out of scope of this SOW.

2. Scope of Services

2.1. Tasks

2.1.1. Contract Line Item (CLIN) 1 – Firm Fixed Price, propose monthly cost

CLIN 1 represents the work to be done on an on-going basis, starting July 1, 2007 and extending through the term of the contract.

1. The contractor shall prepare and submit for approval a document explaining the problem reporting and resolution process. The document shall describe the contractor's proposed support concept, including tiers, reach-back capability, service level s, the person(s) authorized to close problem reports, et cetera.
2. The contractor shall provide technical expertise available within two hours (remote access) and four hours (on site) to resolve emergency problems associated with the server hardware, network switches and configuration, server operating systems, Microsoft Exchange, Windows Sharepoint Services, Terminal Services, Microsoft Office 2003 or later and other applications, tools and utilities required by CIRM. The term "emergency" in this context refers to system outages that affect more than one user. The on-call expert shall be available at all times via cellular phone or pager.
3. The contractor shall provide remote expert support via telephone and remote computer access for routine problems from 0800 through 1800 hours, Monday through Friday, excluding State holidays.
4. The contractor shall assess CIRM's current operating environment and propose changes to improve the reliability and security of the environment. CIRM is particularly interested in security from malware, security for remote computing (VPNs, secure Outlook Web Access) and hostile intrusions.
5. The contractor shall test, install and troubleshoot server software, applications, service packs, firmware, security updates, upgrades, et cetera.

6. The contractor shall participate in scheduled and ad hoc meetings as required by CIRM within 5days after the meeting request.
7. The contractor shall provide ongoing configuration and support of Blackberry devices and the Blackberry Enterprise Server.
8. The contractor shall adhere to CIRM's configuration management process.
9. The contractor shall prepare and submit monthly reports outlining the status of CIRM systems, suggested improvements, hard drive utilization, Exchange server statistics and a description of any unscheduled outages (their causes, fixes and steps necessary to prevent recurrence).

2.1.2. Contract Line Item (CLIN) 2 – Propose Hourly Rate

CLIN 2 represents tasks that will be defined in the future and specified by tasking letter. Since the details of these tasks are not known at this writing, CIRM has provided the following as examples of the types of tasks that may be issued during the life of this contract.

1. Conduct a security/penetration audit of CIRM's network.
2. Prepare and submit a plan, including hardware/software specifications, for adding a terminal services farm.
3. Integrate a second switch into CIRM's network to isolate (subnet) the servers from the desktops.
4. Prepare and submit a plan showing the Active Directory policies CIRM should adopt to use terminal services to implement Server Based Computing (SBC).
5. Prepare and submit a market survey summarizing the options for document capture (scanning), retrieval and records management.

The amount of effort allocated to each CLIN 2 task will be defined by CIRM and the contractor when the need arises. The existence of CLIN 2 does not obligate CIRM to use the contractor for any of these types of services.

CLIN 2 is a not-to-exceed line item.

2.2. Deliverables

Product	Frequency	Due Date(s)	Approval Required
Problem Reporting and Resolution Process	One time, updates as required.	Initial is due with the proposal, final is due 10 days after contract award.	Yes
Current Operating Environment Assessment and Recommendations	One time.	30 days after contract award.	No
Monthly Report	Monthly	The 10 th of each month. If the 10 th falls on a weekend, the report is due the next Monday.	No

3. Terms and Conditions

3.1. Acceptance

CIRM is the sole judge for determining the quality of the contractor's work. If the contractor's work fails to meet CIRM's expectations or requirements, CIRM will notify the contractor via email and give the contractor the opportunity to address the situation.

3.2. Minimum Qualifications for Proposer(s)

The CIRM expects to have a close working relationship with its network, server and desktop support contractor as evidenced by the nature of the tasks listed above, and requires the demonstration of a high degree of experience, training and proficiency in the conduct of the various functions performed. The contractor should have extensive background in performing network, server and desktop support tasks. In addition, the CIRM expects that its contractors will comply with current industry standards and will maintain appropriate expertise at the firm's own expense. Proposer must have, at minimum, the following qualifications and experience:

1. Firm must have a minimum of five (5) years of experience in the design, implementation and maintenance of networks, servers and desktops using the Microsoft suite of operating systems and desktop applications and Cisco networking equipment.
2. Firm must have sufficient staff to satisfy the requirements of Section 2, Scope of Services.

3.3. Proposal Requirements and Information

3.3.1. Key Action Dates

It is recognized that time is of the essence. All Proposers are hereby advised of the following schedule and will be expected to adhere to the required dates and times:

<i>Date</i>	<i>Action</i>
May 15, 2007	RFP available to prospective firms
June 8, 2007	Final Date for Proposal Submission. Proposals must be received at the CIRM at 210 King Street San Francisco, CA by 5:00 P.M.
June 15 , 2007	Proposed Award Date (Note: The actual award date may be earlier.)

3.3.2. Firm Experience, Personnel and References

Qualifications and Experience of Firm – Discuss the overall experience of your firm that demonstrates your ability to successfully complete the Scope of Services (Work). Provide a detailed list of clients for the past three years as an attachment. Discuss your firms experience to state or local governments. Indicate if the service provided was transaction specific or for a contracted period.

b) Qualification of Personnel/Resumes – Identify the personnel who will be providing the services required by the proposal, including years and type of experience for each person. Experience should include number of years at the current firm, as well as all prior service. The party in charge of the CIRM account must have at least five (5) years of experience providing IT support services.

The firm should insure that the quality and availability of its personnel assigned to this agreement will be maintained over the term of the agreement. Any changes in assigned personnel are at the discretion of the

firm, provided that any replacements have substantially the same as or better qualifications and experience than the original personnel.

3.3.3. References

Submit a list of at least three (3) references (clients) to which you have provided similar services within the past five years and contact numbers for each.

3.3.4. Submission of Proposal

1. Proposals should provide straightforward and concise descriptions of the Proposer's ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements may be sufficient cause for rejection of a proposal.
2. Proposals shall contain a budget for the base year, extension one and extension two. In addition, the budget shall contain costs for each of the CLINs. A format such as the following would be appropriate:

	Base Year	Extension One	Extension Two
CLIN 1	Firm fixed price	Firm fixed price	Firm fixed price
CLIN 2	Hourly rate	Hourly rate	Hourly rate

3. All proposals must be submitted to the California Institute for Regenerative Medicine by the dates and times shown in Section 3.3.1 Key Action Dates.
4. One (1) original plus three (3) copies of the proposal must be submitted. In addition to the paper copies of the proposal, electronic submission via portable document format (PDF) is encouraged.
5. The original (paper) proposal must be marked "ORIGINAL COPY". All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the proposing firm. All additional proposal sets may contain photocopies of the original package.
6. The proposal envelope(s) should be addressed as follows:

Dennis Butler
Technical Officer
California Institute for Regenerative Medicine
210 King Street
San Francisco, CA 94107

7. If the proposal is made under a fictitious name or business title, the actual legal name of the proposer must be provided.
8. All proposals shall include the documents identified in Section 4 Required Attachments. Proposals not including the proper "required attachments" shall be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements.
9. Mail or deliver proposals to the address as stated in 6 above.
10. Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.
11. A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. CIRM may reject any or all proposals and may waive any

immaterial deviation in a proposal. CIRM's waiver of immaterial deviation shall in no way modify the RFP document or excuse the proposer from full compliance with all requirements if awarded the agreement.

12. Costs incurred for developing proposals and in anticipation of award of the agreement are entirely the responsibility of the proposer and shall not be charged to the CIRM.
13. An individual who is authorized to bind the proposing firm contractually shall sign the Attachment 2, Proposer Certification Form. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.
14. A Proposer may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in Section 3.3 Proposal Requirements. Proposal modifications offered in any other manner, oral or written, will not be considered.
15. A Proposer may withdraw its proposal by submitting a written withdrawal request to CIRM, signed by the Proposer or an authorized agent, addressed in accordance with 6 above. A Proposer may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to proposal submission deadline.
16. The CIRM may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all parties who received a proposal package.
17. The CIRM reserves the right to reject all proposals. The agency is not required to award an agreement.
18. Before submitting a response to this solicitation, Proposers should review, correct all errors and confirm compliance with the RFP requirements.
19. Where applicable, Proposer should carefully examine work sites and specifications. No additions or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications, if applicable.
20. More than one proposal from an individual, firm, partnership, corporation or association under the same or different names, will not be considered.
21. CIRM does not accept alternate contract language from a prospective Consultant. A proposal with such language will be considered a counter proposal and will be rejected.
22. No oral understanding or agreement shall be binding on either party.
23. The proposal package should be prepared in the least expensive method.

3.3.5. Evaluation Process

At the time of proposal opening, each proposal will be checked for the presence or absence of required information in conformance with the submission requirements of this RFP.

Proposals that contain false or misleading statements, or which provide references that do not support an attribute or condition claimed by the proposer, may be rejected.

Award, if made, will be based on a "best value" basis.

3.4. Proposal Evaluation

The proposals that meet the Minimum Qualifications in Section 3.2 and the Proposal Requirements and Information in Section 3.3 will be evaluated and scored according to the criteria indicated below. The selection will be made by an evaluation committee of the CIRM using the following weighted criteria.

<i>Criteria</i>	<i>Maximum Points</i>	<i>Description</i>
Qualification of Personnel	20	The CIRM will evaluate the individuals to be assigned to the contract on the basis of background and experience in related work.
Experience as a Firm	30	The CIRM will evaluate the firm on the basis of the firm's overall experience demonstrating its ability to successfully complete the requirements identified in 1) Introduction and 2) Scope of Services, Section 2.
Responsiveness to the Scope of Work	30	The CIRM will evaluate the firm on the basis of the firm's overall understanding and description of the Scope of Work.
Cost	20	The CIRM will score the cost upon the competitive cost proposal.

3.5. Disposition of Proposals

1. Upon proposal opening, all documents submitted in response to this RFP will become the property of the CIRM, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public.
2. Proposal packages may be returned only at the Proposer's expense, unless such expense is waived by the CIRM.

3.6. Agreement Execution and Performance

1. Service shall start on the express date set by the CIRM and the Consultant, after all approvals have been obtained and the agreement is fully executed. Should the Consultant fail to commence work at the agreed upon time, the CIRM, upon five (5) days written notice to the Consultant, reserves the right to terminate the agreement. In addition, the Consultant shall be liable to CIRM for the difference between Consultant's Proposal price and the actual cost of performing work by another Consultant.
2. All performance under the agreement shall be completed on or before the termination date of the agreement.

4. Required Attachments

For your proposal to be considered responsive, all required attachments must be included with the proposal by the dates and times shown in Section 3.3.1, Key Action Dates.

Attachment 1 – Required Attachment Checklist

Attachment 2 – Proposer Certification

Attachment 3 – References

Attachment 4 – Cost Proposal

Attachment 5 – Technical Proposal

Attachment 6 – Payee Data Record (STD 204)

Bidders are required to prepare and submit a State of California, Department of Finance Form 204, Payee Data Record. Bidders may obtain this form at <http://www.documents.dgs.ca.gov/osp/pdf/std204.pdf> or see below attachment.

ATTACHMENT 1

REQUIRED ATTACHMENT CHECK LIST

A complete proposal or proposal package will consist of the items identified below.

Complete this checklist to confirm the items in your proposal. Place a check mark or "X" next to each item that you are submitting to the CIRM. For your proposal to be responsive, all required attachments must be returned. This checklist should be returned with your proposal package also.

	<u>Attachment</u>	<u>Attachment Name/Description</u>
_____	Attachment 1	Required Attachment Check List
_____	Attachment 2	Proposal/Proposer Certification Sheet
_____	Attachment 3	References
_____	Attachment 4	Cost Proposal
_____	Attachment 5	Technical Proposal
_____	Attachment 6	See link

ATTACHMENT 2

PROPOSAL/PROPOSER CERTIFICATION SHEET

This Proposal/Proposer Certification Sheet must be signed and returned along with all the "required attachments" as an entire package in duplicate with original signatures. The proposal must be transmitted in a sealed envelope in accordance with RFP instructions.

Do not return Section C, Proposal Requirements and Information (pages 3 through 11) nor the "Sample Agreement" at the end of this RFP.

For RFP Primary Only:

- A. Our all-inclusive cost proposal is submitted in a sealed envelope marked **"Cost Proposal - Do Not Open"**.
- B. Place all required attachments behind this certification sheet.
- C. I have read and understand the DVBE Participation requirements and have included documentation demonstrating that I have met the participation goals or have made a good faith effort.
- D. The signature affixed hereon and dated certifies compliance with all the requirements of this proposal document. The signature below authorizes the verification of this certification.

An Unsigned Proposal/Proposer Certification Sheet may be cause for rejection

1. Company Name	2. Telephone Number ()	2a. Fax Number ()		
3. Address				
Indicate your organization type: 4. <input type="checkbox"/> Sole Proprietorship 5. <input type="checkbox"/> Partnership 6. <input type="checkbox"/> Corporation				
Indicate the applicable employee and/or corporation number: 7. Federal Employee ID No. (FEIN) 8. California Corporation No.				
9. Indicate applicable license and/or certification information:				
10. Proposer's Name (Print)		11. Title		
12. Signature 2.		13. Date		
14. Are you certified with the Department of General Services, Office of Small Business Certification and Resources (OSBCR) as: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top; border-right: 1px solid black; padding-right: 10px;"> a. California Small Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter certification number: _____ </td> <td style="width: 50%; vertical-align: top; padding-left: 10px;"> b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter your service code below: _____ </td> </tr> </table> <p>NOTE: A copy of your Certification is required to be included if either of the above items is checked “Yes”.</p> <p>Date application was submitted to OSBCR, if an application is pending:</p>			a. California Small Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter certification number: _____	b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter your service code below: _____
a. California Small Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter certification number: _____	b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter your service code below: _____			

Completion Instructions for Proposal/Proposer Certification Sheet

Complete the numbered items on the
Proposal/Proposer Certification Sheet by following the instructions below.

Item Numbers	Instructions
1, 2, 2a, 3	Must be completed. These items are self-explanatory.
4	Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.
5	Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.
6	Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.
7	Enter your federal employee tax identification number.
8	Enter your corporation number assigned by the California Secretary of State's Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.
9	Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.
10,11 12, 13,	Must be completed. These items are self-explanatory.
	If certified as a California Small Business, place a check in the "yes" box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place

14	a check in the "Yes" box and enter your service code on the line. If you are not certified to one or both, place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSBCR.
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ATTACHMENT 3

PROPOSER REFERENCES

Submission of this attachment is mandatory. Failure to complete and return this attachment with your bid may cause your bid to be rejected and deemed non-responsive.

List below three references for services performed within the last five years, which are similar to the scope of work to be performed in this contract.

REFERENCE 1			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 2			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

4.1. REFERENCE 3			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

ATTACHMENT 4

Cost Proposal

	<u>Potential Extensions</u>		
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<u>Contract Line Item 1</u> <u>Monthly Costs</u>			
<u>Contract Line Item 2</u> <u>Hourly Costs</u>			

ATTACHMENT 5

Technical Proposal- The contractor will describe how they will meet the requirements.

ATTACHMENT 6

Payee Data Record. Bidders may obtain this form at <http://www.documents.dgs.ca.gov/osp/pdf/std204.pdf>

5. Exhibits

Sample Independent Consultant Agreement

Agreement No. CIRM 2066

CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE INDEPENDENT CONSULTANT AGREEMENT

THIS AGREEMENT to furnish certain consultant services is made by and between the California Institute for Regenerative Medicine hereinafter called (the CIRM), and _____ [Name] hereinafter called (the Consultant).

I. NATURE AND PLACE(S) OF SERVICE

- A. The Consultant shall furnish to the CIRM the following described services including a time schedule by which the Consultant is to produce or provide specified materials or perform certain consulting services as well as reports on the progress of the services:
- B. The Consultant will provide to the CIRM, information technology (IT) support of computer and networking hardware and software, and provide IT professional advice, guidance and expertise as set forth in this agreement. The terms of Request for Proposal (CIRM 2066) and the Consultants technical proposal shall be incorporated herein by reference and made part of this agreement.
- C. In addition to the services described in subparagraph A. above, the Consultant's proposal to the CIRM shall be incorporated herein by reference and made part of this Agreement.
- D. If the Consultant is an entity other than an individual, the CIRM requires that _____ be assigned to perform the work set forth herein
- F. Place(s) of performance of such services shall be:

Consultant's location:

CIRM's location:

210 King Street

San Francisco, CA 94107

- E. The CIRM will provide one standard office cubicle, telephone, LAN connection and desktop computer for the contractor's use. The contractor will have access to CIRM's shared printers.

II. TERM OF AGREEMENT

- A. The term of this Agreement shall be from July 1, 2007, through June 30, 2008. Two (2) additional one-year extensions are possible when, in CIRM's sole judgement, it is beneficial to the State.
- B. CIRM reserves the right to terminate this agreement subject to 30 days written notice to the consultant. In addition, this agreement may be terminated immediately for cause. The term "for cause" shall mean that the Consultant fails to meet the terms, conditions, and/or responsibilities of this agreement. In this instance, the termination shall be effective as of the date indicated on CIRM's notification to the Consultant.

III. COMPENSATION AND REIMBURSEMENT FOR EXPENSES

- A. The CIRM shall pay the Consultant for services performed on the following basis:

Contract Line Item (CLIN)	
CLIN 1. Maintenance	Monthly cost bid
CLIN 2. Taskings	Hourly rate

MAXIMUM TO BE PAID UNDER THIS AGREEMENT \$ _____

- B. Payments shall be made upon the Consultant's submission of invoices indicating the Agreement Number and setting forth charges in accordance with rates detailed in Article III-A. Each invoice shall include the Consultant's taxpayer identification number (Social Security or employer identification number). Invoices shall be submitted in triplicate not more frequently than monthly in arrears to:

California Institute for Regenerative Medicine
Dennis W. Butler, Chief Technical Officer
210 King Street
San Francisco, CA 94107

V. NOTIFICATION

Notices concerning this Agreement shall be addressed as follows:

California Institute for Regenerative Medicine Contractor
Dennis W. Butler, Chief Technical Officer
210 King St
San Francisco, CA 94107

VI. TAXES

The compensation stated in Article III includes all applicable taxes and will not be changed hereafter as the result of Consultant's failure to include any applicable tax or as the result of any change in the Consultant's tax liabilities. The Consultant acknowledges that compensation payable hereunder may be subject to withholding of state and federal income tax, including state income tax subject to withholding pursuant to California Revenue and Taxation Code Sections 18661-18677.

VII. INDEPENDENT CONSULTANT STATUS

- A. Both parties agree that in the performance of this Agreement the Independent Consultant shall not be an agent or employee of the CIRM, shall not be covered by the State of California Worker's Compensation Insurance or Unemployment Insurance, shall not be eligible to participate in the CIRM's retirement programs, and shall not be entitled to any other CIRM employee benefits.
- B. The Consultant shall be solely responsible for the conduct and control of the work to be performed by the Consultant under this Agreement, except that the Consultant is accountable to the CIRM for the results of such work. The Consultant's services for the CIRM shall be performed in accordance with currently approved methods and ethical standards applicable to the Consultant's professional capacity.

California State Contract Code 10515 (a) states: No person, firm, or subsidiary thereof who has been awarded a consulting services contract may submit a bid for, nor be awarded a contract on or after July 1, 2003, for the provision of services, procurement of goods or supplies, or any other

related action that is required, suggested, or otherwise deemed appropriate in the end product of the consulting services contract.

VIII. ASSIGNMENT OR SUBCONTRACTING

The Consultant may not assign or transfer this Agreement, or any interest or claim, or subcontract any portion of the work, without the prior written approval of the CIRM. The withholding or granting of such approval is totally discretionary with the CIRM. If the CIRM consents to such assignment or transfer, the terms and conditions of this Agreement shall be binding upon any assignee or transferee.

IX. PROPERTY RIGHTS, INCLUDING PATENTS AND COPYRIGHTS

All written and other tangible material ("Material") produced pursuant to this Agreement by the Consultant shall be considered a work-made-for-hire under the Copyright Act. To the extent said Material does not qualify as a work-made-for-hire, Consultant hereby assigns all right, title, and interest, including, but not limited to, copyright and all copyright rights in the Material to the CIRM and shall execute any and all documents necessary to effectuate such assignment. In the event Consultant uses any individual who is not a full-time employee of Consultant or uses any other entity to perform any of the work required by Consultant hereunder, Consultant shall require said individual or entity to sign an agreement before commencing work for consultant that contains identical wording to the foregoing two sentences except that the word "Consultant" shall be replaced with the individual's or entity's name.

X. CONSULTANT'S LIABILITY AND INSURANCE REQUIREMENTS

A. The Consultant agrees to defend, at the CIRM's election, indemnify, and hold harmless the CIRM, its officers, agents, and employees from and against any and all claims, losses, expenses (including costs and reasonable attorney's fees), claims for injury, or damages that are caused by or result from the negligent or intentional acts or omissions of the Consultant, its officers, employees, or agents or Consultant's breach of this Agreement. In addition, Consultant agrees to defend, at the CIRM's election, indemnify, and hold harmless the CIRM, its officers, agents, and employees from and against any and all claims, losses, expenses (including costs and reasonable attorney's fees), claims for injury, or damages accruing or resulting to any and all contractors, subcontractors, suppliers, or any other person, firm or corporation furnishing services or supplying goods in connection with Consultant's performance of this Agreement.

B. The Consultant shall furnish a Certificate of Insurance or statement of self-insurance (contractual liability included) showing minimum coverage as follows:

1. General Liability: Comprehensive or Commercial Form (Minimum Limits)

(i)	General Aggregate (BI, PD)*	\$1,000,000
(ii)	Products, Completed Operations	
	Aggregate	\$1,000,000
(iii)	Personal and Advertising Injury	\$1,000,000
(iv)	Each Occurrence	\$300,000

* (not applicable to comprehensive form)

However, if such insurance is written on a claims-made form following termination of this Agreement, coverage shall survive for a period no less than three years. Coverage shall also provide for a retroactive date of placement coinciding with the effective date of this Agreement.

2. Business Auto Liability: (Minimum Limits) for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of no less than \$1,000,000 per occurrence.
3. Workers' Compensation: as required under California State Law.
4. Professional Liability Insurance: (Minimum Limits)

(1) Each occurrence	\$1,000,000
(2) Project Aggregate	\$2,000,000

If this insurance is written on a claims-made form, it shall continue for three years following termination of this Agreement. The insurance shall have a retroactive date of placement prior to or coinciding with the effective date of this Agreement.

5. Other insurance in amounts as from time to time may reasonably be required by the mutual consent of the CIRM and the Consultant against such other insurable hazards relating to performance.

Certificate(s) shall name the CIRM as an additional insured under 1, 2 and 4 above, obligate the insurer to notify the CIRM at least thirty (30) days prior to cancellation of or changes in any of the required insurance and include a provision that the coverage will be primary and will not participate with nor be excess to any valid and collectible insurance program of self-insurance carried or maintained by the CIRM. Premiums on all insurance policies shall be paid directly by the Consultant.

XI. RECORDS ABOUT INDIVIDUALS

- A. The Consultant acknowledges that the creation and maintenance of records pertaining to individuals is subject to certain requirements set forth by the California Information Practices Act (Civil Code 1798, et seq.) and by the CIRM policy. Such requirements include provisions governing the collection, maintenance, accuracy, dissemination, and disclosure of information about individuals, including the right of access by the subject individuals.
- B. If the Consultant creates confidential or personal records about an individual, as defined by the Information Practices Act, including notes or tape recordings, the information shall be collected to the greatest extent practicable directly from the individual who is the subject of the information. When collecting the information, the Consultant shall inform the individual that the record is being made and of the purpose of the record.
- C. Records containing confidential or personal information about individuals are the property of the CIRM and subject to the CIRM's policies and applicable federal and state laws. The Consultant agrees to deliver all such records, including originals and all copies and summaries, to the CIRM upon termination of this Agreement.
- D. The Consultant shall not use recording devices in discussions with the CIRM's employees without notifying all parties to the discussion that the discussion is being recorded.

XII. EXAMINATION OF RECORDS

The Consultant agrees that the CIRM and its authorized agents shall have the right to review and copy any records and supporting documentation pertaining to the performance of this Agreement including, but not limited to, all documents, records and work papers whether obtained or copied from the CIRM or developed by the Consultant. Consultant agrees to maintain such records for a minimum of five (5) years after final payment, unless a longer period of records retention is

stipulated. Consultant agrees to allow the CIRM and its authorized agent's access to such records during normal business hours. Further, Consultant agrees to include a similar right of access in any subcontract related to the performance of this Agreement.

In accordance with state law, the Consultant agrees that the CIRM, its authorized agents, the State Controller's Office, and the Bureau of State Audits (collectively, the "Auditors") shall have the right, in connection with an audit, to review and copy any records and supporting documentation pertaining to the performance of this Agreement including, but not limited to, all documents, records and work papers whether obtained or copied from the CIRM or developed by the Consultant. Consultant agrees to maintain such records for possible audit for a minimum of five (5) years after final payment, unless a longer period of records retention is stipulated. Consultant agrees to allow the Auditors access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Consultant agrees to include a similar right of the Auditors to audit records and interview staff in any subcontract related to the performance of this Agreement.

XIII. CONFLICT OF INTEREST

- A. The Consultant will not hire any officer or employee of the CIRM to perform any service covered by this Agreement. If the work is to be performed in connection with a federal or state contract or grant, the Consultant will not hire any employee of the government concerned to perform any service covered by this Agreement.
- B. The Consultant affirms that to the best of his/her knowledge there exists no actual or potential conflict between the Consultant's family, business or financial interest and the services provided under this Agreement, and in the event of change in either private interests or service under this Agreement, any question regarding possible conflict of interest which may arise as a result of such change will be raised with the CIRM.
- C. The Consultant shall not be in a reporting relationship to a CIRM employee who is a near relative, nor shall the near relative be in a decision-making position with respect to the Consultant.

XIV. AFFIRMATIVE ACTION

The Consultant recognizes that as a state government contractor or subcontractor, the Consultant is obligated to comply with all state laws and regulations regarding equal opportunity and affirmative action in government contracts. When applicable, the Consultant agrees that all such laws and their implementing regulations are incorporated herein as though set forth in full. These laws include the nondiscrimination requirements of Government Code sections 12990 and 11135, and the nondiscrimination program and clause required by Title 2, Division 4, Chapter 5 of the California Code of Regulations.

XV. CONFIDENTIALITY

The Consultant shall keep confidential any information provided by the CIRM or any information conveyed orally to the Consultant by the CIRM with oral notification of its confidentiality (the "Confidential Information"), Consultant agrees to maintain the secrecy of CIRM's Confidential Information and agrees not to use it except in performing the Services under this Agreement and not to disclose it to anyone outside CIRM or anyone within CIRM's organization who does not have a need to know it to perform under this Agreement. This non-disclosure provision shall not apply to any of the following:

- 1. Information which the Consultant can demonstrate by written records was known to him or her prior to the effective date of this Agreement;
- 2. Is currently in, or in the future enters, the public domain other than through a breach of this

Agreement or through other acts or omissions of the Consultant; or

3. Is obtained lawfully from a third party.

XVI. APPLICABLE LAW

The laws of the State of California shall govern this Agreement.

XVII. TERMS TO BE EXCLUSIVE

This Agreement constitutes the entire understanding between the parties regarding the subject matter hereof and supersedes any prior understanding between the parties, oral or written, regarding the same subject matter.

XVIII. WAIVER OR MODIFICATION OF TERMS

No waiver, amendment or other modifications of the terms of this Agreement shall be binding upon either party unless expressed in writing and signed by both parties hereto.

IX. STANDARD FOR PERFORMANCE

The parties acknowledge that the CIRM, in selecting the Consultant to perform the services hereunder, is relying upon the Consultant's reputation for excellence in the performance of the services required hereunder. The Consultant shall perform the services in the manner of one who is a recognized specialist in the types of services to be performed. All deadlines set forth in the Agreement are binding and may be modified only by subsequent written agreement of the parties. The Consultant shall devote such time to performance of its, her, or his duties under this Agreement as is reasonably necessary for the satisfactory performance of such duties within the deadlines set forth herein. Nothing in the foregoing shall be construed to alter the requirement that time is of the essence in this Agreement.

XX. EXCLUSION. Independent Consultant warrants that it is not excluded from participation in any governmental sponsored program, including, without limitation, the Medicare, Medicaid, or Champus programs (<http://exclusions.oig.hhs.gov/search.html>) and the Federal Procurement and Nonprocurement Programs (<http://epls.arnet.gov/PrivacyActProvisionsEPLS.html>). This Agreement shall be subject to immediate termination in the event that the Independent Consultant is excluded from participation in any federal healthcare or procurement program.

XXI. RESOLUTION OF DISPUTES

If the Consultant disputes any action by the CIRM arising under or out of the performance of this contract, the Consultant shall notify the CIRM of the dispute in writing and request a claims decision. CIRM shall issue a decision within 30 days of the Consultant's notice. If the Consultant disagrees with the CIRM's claims decision, the Consultant shall submit a formal claim to the President of CIRM. The decision by the President of the CIRM shall be final and conclusive on the claim unless the decision is arbitrary, capricious or grossly erroneous or if any determination of fact is unsupported by substantial evidence. The decision may encompass facts, interpretation of the contract and determinations or applications of law. The decision shall be in writing following an opportunity for the Consultant to present oral or documentary evidence and arguments in support of the claim. Consultant shall continue with the responsibilities under this Agreement during any dispute.

INDEPENDENT CONSULTANT

THE CALIFORNIA INSTITUTE FOR
REGENERATIVE MEDICINE

_____ Signature	_____	_____
Date	Date	Lorraine Hoffman
		Chief Finance & Administrative Officer
Name _____		
Title _____		

Social Security or Employer Identification Number*

*Pursuant to Federal Privacy Act of 1974, you are hereby notified that disclosure of your Social Security number is mandatory. Disclosure of the Social Security number is required pursuant to Sections 6011 and 6051 of Subtitle F of the Internal Revenue Code and Regulation 4, Section 404.1256, Code of Federal Regulations,

Under Section 218, Title II of the Social Security Act, as amended. The Social Security number is to verify your identity. The principal uses of the Social Security number shall be to report payments you have received to the Federal and State governments.

Item 6445-502-6047001/H&S Code 125291.20/Statutes 2004/FY 06/07

Account/Fund to be charged